

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7413

BILL NUMBER: HB 1790

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Public pension and retirement benefits.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Decreases from ten to eight the number of years of creditable service necessary for normal retirement for members of the Indiana state teachers' retirement fund (TRF) and members of the public employees' retirement fund (PERF) who retire after June 30, 2001. Decreases from 20 to 12 the number of calendar quarters used in determining the average annual compensation for the purpose of calculating pension benefits for PERF members who retire after June 30, 2001. Decreases from five to three the number of years used in determining the average annual compensation for the purpose of calculating pension benefits for TRF members who retire after June 30, 2001. Increases from 1.1% to 1.2% the multiplier used in calculating pension benefits for PERF and TRF members who retire after June 30, 2001. Requires the state to offer supplemental Medicare coverage to retired state employees and retired teachers. Requires the state to pay both the employer's and the employee's share of the health insurance premium for retired state employees who meet certain requirements. Authorizes the deposit of an amount that represents full credit for unused vacation, sick and personal days into a cafeteria plan for a participating retired state employee.

Effective Date: July 1, 2001.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: